



Office of Thrift Supervision
Financial Reporting Division

September 2004

Financial Reporting Bulletin

It is important that you read this bulletin and the attached materials before submitting your Thrift Financial Report.

September TFR Deadline – Monday, November 1, 2004
September COF Deadline - Monday, November 1, 2004
September CMR Deadline – Monday, November 15, 2004
September HC Deadline – Monday, November 15, 2004

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THIRD QUARTER DEADLINES

You should complete and transmit your September 2004 TFR as soon as possible after the close of the quarter. All schedules except HC and CMR are due to the OTS **no later than Monday, November 1, 2004**. Schedules HC and CMR are due **no later than Monday, November 15, 2004**.

Institutions that are exempt from filing Schedule CMR but choose to voluntarily file must adhere to the filing deadlines. The OTS will not be able to provide access to Interest Rate Risk reports to institutions that fail to meet the filing deadline. All voluntary CMR filers should contact Doris Jackson at doris.jackson@ots.treas.gov or 972-277-9618 two days after transmitting CMR to confirm that it was received.

If you have questions concerning the preparation of your report, please call your Financial Reporting Division contact in Dallas, Texas. You may e-mail reporting questions to tfr.instructions@ots.treas.gov. If you have a problem with the Electronic Filing System (EFS) software or transmission, contact the EFS Helpline Message Center at 866-314-1744 or efs-info@ots.treas.gov. If you have questions about your Interest Rate Risk report, you may contact Scott Ciardi at 202-906-6960 or scott.ciardi@ots.treas.gov.

UTPR AVAILABILITY

The Uniform Thrift Performance Reports (UTPR) have been available via download through the Financial Reports Subscriber (FRS) since March 2002. In March 2004 we added the ability for thrifts to download the UTPRs using EFS-Net, an Internet-based transmission function.

Because the UTPR calculates and displays a thrift's financial ratios in relation to its peers, the UTPR cannot be produced until the OTS has received most of the Thrift Financial Reports (TFR). UTPRs are available for download on the Tuesday following the TFR filing deadline, and are updated every week thereafter.

INTEREST RATE RISK (IRR) REPORT AVAILABILITY

Beginning with the June 2004 report cycle, we have made the Interest Rate Risk (IRR) reports available via download through the FRS. This first cycle was delayed for testing reasons, which caused some confusion when thrifts attempted to download the reports.

The IRRs will normally begin to be available 30 days after the quarter-end. For the September 2004 reporting cycle this would be November 1, 2004. You will be able to download your IRR only if your CMR data is error-free. This means that either your report passed all edits in the Electronic Filing System (EFS) or your Financial Reporting Analyst has accepted the edits in our Edit System. If your CMR report has not passed all edits, you will receive only the CMR data portion of the IRR.

Executive Summary reports will be available for download at a later date. You can access your Executive Summary Report only after your IRR and those of the vast majority of other reporting institutions, including all of the largest thrift institutions, are available. This normally happens between 80 and 85 days after the reporting quarter-end. For the September 2004 cycle, the reports should become available between December 20 and December 24.

Other factors may also delay the availability of the IRRs. The Economic Analysis Division (EAD) does extensive work prior to the release of data, such as entering market data into the Net Portfolio Value Model, producing pricing tables, and double-checking the results. After this work is completed, there may also be a delay of a few days as EAD staff verifies the model results with a few actual thrift reports.

If it is more than 30 days after the reporting quarter-end and you receive a message that your IRR report is not available or you receive only the CMR portion of the report, call your FRD Analyst in Dallas to ascertain whether or not your CMR report is error-free. Your report may remain in error if your FRD Analyst has not verified your CMR data and accepted the edits in our system. It may also be in error if the IRR that is produced using your CMR data has errors. If both your reports are completely error-free, then it is likely that the EAD staff is still assessing the outputs from the model.

You should also be aware that amendments to your CMR data might also affect your ability to download your IRR. If your report was previously error-free and your amendment caused errors, then your FRD Analyst will have to accept those errors before you can download an updated IRR. Even if your CMR report is error-free after an amendment, your IRR may have produced some errors that will have to be reviewed by the EAD staff. It is a good practice to request a new IRR after you amend your CMR, but be aware that its availability may be affected by your amendments.

WEB SITE HYPERLINK

We have added a new feature to the EFS system to assist in verifying the web addresses reported by thrifts. When you enter or edit your institution's web address in SQ530, it will be automatically updated into your Institution Setup information and translated into a hyperlink. You should access your Institution Setup each quarter and click on this link to ensure that it is correct. If the link directs you to your institution's web site, then there is no further action for you to take. If it directs you to another site or returns an error, then you should correct the information in SQ530. To access the hyperlink, select the "Institution Setup" button from the main screen of EFS.

If your web address changes from one quarter to the next, you will receive an exception for SQ530 when you run your TFR edits. Verify the link using the instructions above and create a Usernote for the edit exception informing us that you have done so.

The web site you provide through SQ530 is posted on the FDIC's web site each quarter. To ensure that the public who access the FDIC web site are directed to your site when the link is selected, it is important that SQ530 be accurate. Web addresses typically follow this format: <http://www.mythrift.com>. Do not enter special characters on SQ530 such as "@", ".", or "#" unless these are part of your actual website address. **If your institution does not have a web site, leave SQ530 completely blank.** Do not enter "None", "N/A" or any other words or characters. (These clarifications about the web address for SQ530 also are applicable to the web address information provided on HC140 and on CSS200 for the December cycle.)"

HOLDING COMPANY STOCK TICKER SYMBOL AND SEC FILE NUMBER

Schedule HC underwent a significant change in March 2004, and two new fields were added that have never been previously collected through the EFS.

HC125 is the Holding Company Stock Ticker Symbol. This is usually an alphabetic designation given to publicly traded companies. Within the software, you should report, in upper-case (capital) letters, the designation for your holding company. HC130 is the SEC File Number. This can be found on the holding company's 10-Q report and can have one or more dashes ("-") within it. For purposes of the filing software, enter this as all numeric characters without any special symbols.

If your holding company has no ticker symbol or SEC File Number, then leave HC125 and HC130 blank. Do not enter "none" or "NA" or "N/A". These characters are not recognized by our systems. It may be possible for your holding company to have a file number (HC130) without a ticker symbol (HC125). If this is the case, enter the file number with no special characters, as noted above, and leave the ticker symbol blank.

“OTHER” CODE ITEMS

Within the TFR there are four areas where codes for “other” items are reported. These are Other Asset Detail, Other Liability Detail, Other Noninterest Income Detail, and Other Noninterest Expense Detail.

With the exception of Code 99, you should not report duplicate code items in these sections. All accounts falling within a specific code number should be reported once using that code. For example, under Other Assets you may have several different accounts for prepaid expenses. On the TFR, you would combine those accounts and report them once using Code 07. Remember that you will report this code only if the total amount for this code is one of the three highest amounts that make up the total reported in Other Assets (SC689).

You should **not** combine unlike accounts in reporting Code 99. You may report more than one Code 99 if you cannot find codes describing the items you report. As with the other detail code items, you will report individual Code 99 items only if they are one of the three highest amounts that make up the total for the reported “Other” category.

FILING SOFTWARE UPDATE 5.2

The Electronic Filing Software (EFS) update Version 5.2 is available for download beginning September 20, 2004. You may download the update using EFS-Net. See Software Corner for further instruction.

The Version 5.2 update includes corrections to eight edits and the deletion of three. New edits were created to validate the uniqueness of the codes in the four “Other” detail sections, as mentioned in the previous section.

We have also corrected the print routine to include the Holding Company name, number, and report date in the printed copy of Schedule HC.

SEPTEMBER 2004 EFS FILING SOFTWARE

You should prepare and transmit your September reports using the June 2004 EFS Version 5.1 software with the 5.2.0 update applied. **There will be no new software CD mailed out for the September cycle.** See Software Corner for further instructions.

EFS-Net, Internet-based Filing a Huge Success

With the March 2004 reporting cycle, the OTS introduced EFS-Net, an Internet-based filing option. EFS-Net allows institutions to transmit reports, download financial data and software updates, and offer feedback through an existing Internet connection. Institutions that have had difficulty connecting to the OTS through the standard dial-up method of transmission have especially welcomed EFS-Net. **In the June 2004 cycle, over 90%** of OTS-regulated institutions transmitted their reports via EFS-Net.

With the release of EFS 5.1, EFS-Net capability has been expanded to include the submission of database problems. EFS-Net allows institutions to report such problems and send a backup of their database through EFS-Net instead of through their email systems. EFS-Net is fully certified and accredited to provide security and privacy of your data.

Download UTPRs and IRRs Via EFS-Net

Financial Reports Subscriber (FRS) Version 2.0 provides you with an option for downloading your Uniform Thrift Performance Reports (UTPR) and your Interest Rate Risk (IRR) Reports through EFS-Net. You will need to install FRS Version 2.0 from your June 2004 EFS 5.1 CD to have this option available to you. **You will no longer receive a hard copy of your IRR.**

SOFTWARE CORNER

No EFS CD for September; Software Update 5.2 Available for Download

You should continue to use EFS Version 5.1 (CD dated June 2004) with EFS Update 5.2.0 applied, to prepare and transmit your September 2004 reports.

To apply the 5.2.0 Update: From the EFS Net **Available Software Updates for Download** section, click on the EFSUpdate520. On the next screen, click Save, then Save In c:/program files/OTSEFS/Software Updates. Click Save. Exit completely out of EFS and return to your desktop. Right-click on Start, go to Explore, go to your Local Disk c drive, double-click on Program Files, OTSEFS, Software Updates, then on EFS_520_Setup.EXE. Continue to click Next through the Installation Wizard, and click Finish. Exit Explore and go back into EFS as directed below.

Always Access The EFS System Correctly

Be sure to always access EFS through Start, Programs, Office of Thrift Supervision, OTS Electronic Filing System. Desktop shortcuts/icons may not be configured correctly and could create application problems.

Review Institution Setup Information Before Transmitting

You should always verify/correct the information under all three tabs of Institution Setup before each transmission to the OTS. The Financial Reporting Division uses the information you provide here to communicate with you via mail, phone, fax, or e-mail. It is imperative that it be kept current.

Check for Software Updates and Review Bulletins

Prior to preparing each of your reports, please check EFS Net to download any available software patches or updates, and review any new bulletins. If you are unable to use EFS Net at this time, you can call or e-mail the EFS Helpline for further direction.

Always View Transmission Log

Remember that the last step in each transmission process is to View Transmission Log from the EFS Net screen to ensure the information you just transmitted is listed with the date of the transmission. If it's not there, contact the EFS Helpline. **Remember to also check for acknowledgments or receipt of your original data prior to transmitting any amendments for each report.**

Back Up Your Data

You should back up your financial data within EFS after every data transmission. This will greatly simplify the data recovery process if you have a system crash, or if you need to install the EFS system onto a new or additional computer.

From the EFS main (blue) screen, click Backup/Restore, then Backup Financial Data. Select the drive you want to backup to, i.e., hard drive, network drive, diskette, etc. Include the cycle name in the file name: such as June04, etc. Click Backup. Keep the backup file in a safe, easily accessible location.

Provide Name, Docket Number, And Phone Or E-Mail Contact Information On All Voice Mail And E-Mail Messages

You can shorten the callback or e-mail response time to your inquiries to the Financial Reporting Division by speaking clearly, spelling any unusual names, and providing your name, docket number, and return contact information any time you call, and, for security purposes, including your docket number in your e-mail Subject line. Also provide a phone number and a brief description of your inquiry. Your call or e-mail will be returned as quickly as possible during weekday business hours in the order it was received.

EFS Helpline

You can reach the EFS Helpline at efs-info@ots.treas.gov, or call toll-free 866.314.1744. Please remember that this is a message center. E-mails and calls are retrieved and returned during daytime business hours in the order they are received. Leaving multiple messages about the same issue will only delay the callback time. Always include your 5-digit docket number in telephone messages and on the subject line of all e-mails to the EFS Helpline.

PUBLIC AVAILABILITY OF THE TFR

All data items reported by individual OTS-regulated institutions in 2004 are publicly available **except** for the following line items:

Schedule VA

Classification of Assets:

VA960 – Special Mention
VA965 – Substandard
VA970 – Doubtful
VA975 – Loss

Schedule LD Loan Data - All lines

Schedule SI

Transactions with Affiliates, Lines SI750 and SI760

Schedule FS Fiduciary and Related Services Income:

Lines FS310 through FS393, FS30, and FS35
Fiduciary Settlements, Surcharges, and Other:
FS710 through FS742, FS70, FS71, and FS72

Schedule HC, Thrift Holding Company – All lines.

Schedule CMR, Consolidated Maturity/Rate – All lines.

When released by the OTS, individual TFRs are first posted on the FDIC web site the Friday following the tenth day after quarter-end. The available reports are updated on the FDIC web site every Friday. The final update takes place approximately 150 days after quarter-end. All data items are available on an aggregate basis and are posted to the OTS web site approximately 60 days after quarter-end.

SEPTEMBER 2004 TFR INSTRUCTION MANUAL UPDATES

Enclosed are nine updated pages to the TFR Instruction Manual. The updated pages are dated September 2004 and the changes are marked by a bar in the right margin. The changes are as follows:

Schedule SO -Line SO 811- Page 317 Added “gains and losses from discontinued operations” to the list of items that should be reported on this line.

Schedule CMR – Line CMR 293 – Page 1724 Clarified that the number of months remaining in the construction phase of the loan should be used to report the weighted average remaining maturity for adjustable rate construction and land loans in this line.

CMR 461 – Page 1738 References to CMR 377 and CMR 378 were deleted.

CMR 464 – Page 1739 Clarified that the fair market value of investments in equity securities subject to FASB Statement No. 115 and the fair market value of investments in mutual funds should be reported. (Word “market” was added to the description.)

CMR – Construction LIP description – Pages 1772 and 1773 Added the following descriptions:

“Report the undisbursed LIP for both loans reported as construction-only loans and construction-permanent loans reported as single-family, multifamily, or nonresidential loans.”

“For construction-permanent loans where the permanent rate has been set, use the construction phase as the WARM for the LIP. Report a firm commitment to originate a fixed-rate mortgage for the permanent portion of the loan.”

CMR – Aggregation of Construction LIP description – Page 1773 Maturity or Fees Clarified the reporting of weighted average remaining maturities for construction LIP.

CMR – Appendix A – page 1801 Deleted the parenthetical (12-month average index) from code 312.

CMR – Appendix B – page 1808 Contract Code for Futures Clarified long 3-year and 5-year swap futures (codes 8018 and 8020, respectively) and short 3-year and 5-year swap futures (codes 8048 and 8050, respectively) should be self-valued using code 500.

Questions & Answers

TFR Questions and Answers are posted on the OTS web site at www.ots.treas.gov (click TFR). If you have a question you would like posted, please e-mail it to tfr.instructions@ots.treas.gov.

Q&A No. 246

SUBJECT: Interest-Only Mortgages

LINE(S): CMR Assets

DATE: August 31, 2004

Question: *Our institution is engaging in new lending products that provide an interest-only payment term. This feature can be for up to 10 or 15 years and applies to fixed- and adjustable-rate 1-4 family first mortgage loans. Principal amortizes over the remaining period (20 or 15 years, respectively) after the interest-only term. Pre-payment of principal is at the borrower's option for the entire 30-year loan term. Where on Schedule CMR should these new loan types be reported?*

Answer: Until further notice, these loans should be reported in CMR as if they are amortizing loans. For example, if the loans you describe had a coupon of 6.25%, the dollar balance should be reported in CMR003, the WARM in CMR008, the WAC in CMR013, and any portion that is FHA/VA guaranteed in CMR018.

Q&A No. 247

SUBJECT: FHLB Overdrafts

LINE(S): SC760, CMR Liabilities

DATE: August 31, 2004

Question: *We have an overdraft at the FHLB of \$575,000 and reported this in SC760--Other Borrowed Money. Where in Schedule CMR should this amount be reported?*

Answer: FHLB overdrafts should be reported in the CMR section – “Fixed-Rate, Fixed-Maturity FHLB Advances, Other Borrowings, Redeemable Preferred Stock, and Subordinated Debt” under the appropriate maturity and coupon lines. For example, assuming these overdrafts have a remaining maturity of 0 to 3 months and a coupon under 3%, the amount would be reported in CMR675.

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The Financial Reporting Division uses voice-mail extensively. If you reach the voice-mail of the person you are calling, please leave a brief message, speaking slowly enough to be clearly understood. Include your name, phone number, region, and docket number. Your call will be returned as quickly as possible.

TFR REPORTING QUESTIONS AND ANSWERS

The Financial Reporting Division posts TFR Questions and Answers on the OTS website at <http://www.ots.treas.gov> (click TFR). If you have a question that you would like answered, you may submit it to tfr.instructions@ots.treas.gov.

EFS HELPLINE MESSAGE CENTER

For assistance with Electronic Filing System (EFS)-related issues, contact the EFS Software Helpline at efs-info@ots.treas.gov, or call the TOLL-FREE 24-Hour Message Center: 866.314.1744. NOTE: For security purposes, please always begin your e-mail Subject line with your 5-digit docket number, and provide your name and phone number.

INTEREST-RATE RISK REPORTS

Questions about your Interest Rate Risk report may be directed to Scott Ciardi at scott.ciardi@ots.treas.gov, or 202.906.6960.

COPIES OF TFR MANUAL

The OTS provides one copy of the TFR Instruction Manual and Financial Reporting Bulletins free of charge to the report preparer(s) of each OTS-regulated institution. You can also access the manual and bulletins on the OTS website at <http://www.ots.treas.gov> (click TFR).

MINIMUM AND PREFERRED REQUIREMENTS
FOR ELECTRONIC FILING OF
REGULATORY REPORTS

Minimum:

IBM-compatible PC - Pentium 200+

processor

Windows 95

64 Meg of installed RAM memory

150 Meg of available hard drive memory

VGA or SVGA color monitor –

640x480, 256 colors screen

CD-Rom drive

HP Laserjet or Ink Jet-compatible printer

Communications - Dialup

2800 bps Hayes-compatible modem

56K bps modem and active account with an
Internet Access Service Provider

Internet Explorer 6.x or greater (for EFS-
NET certificate compatibility)

Preferred:

**IBM-compatible PC - Pentium
566+ processor**

**Windows 95, 98, NT4.0
Workstation, Windows 2000,
XP, Me**

256 Meg of installed RAM memory

**200+ Meg of available hard drive
memory**

**SVGA enhanced color monitor –
800x600, 256 colors or 24-bit
true colors**

CD-Rom drive

**HP Laserjet or Ink Jet-compatible
printer**

Communications - EFS-NET

56K bps Hayes-compatible modem

**DSL, Internet Cable, T1-T3 Direct
Line with online Internet access**

**Internet Explorer 6.x or greater (for
EFS-NET certificate compatibility)**